

# Transportation Asset Management

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**A STRATEGIC APPROACH TO MANAGING  
MICHIGAN'S ROADS AND BRIDGES**



# WHY ASSET MANAGEMENT?

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- P Best Management Practice; used by private sector, military, and utility companies for many years**
- P Recommendation of Act 51 Funding Study Committee**
- P Consistent with the new requirements of GASB Statement 34 which requires accounting of infrastructure assets in financial accounting reports**
- P CRAM/MDOT Pilot Project Experience**
- P It's a smart, efficient way to run your operations**



# ACT 51 FUNDING COMMITTEE

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## P **Bi-partisan committee recommended:**

- < **A long-term, planned asset management process to be used statewide**
- < **An Asset Management Council be established**
- < **Road and bridge data for all jurisdictions be collected and maintained under the direction of the Council**



# DEFINITIONS

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**P Asset Management:** “An on-going process of maintaining, upgrading, and operating physical assets cost-effectively, based on a continuous physical inventory and condition assessment.”

**P Federal-Aid Eligible:** “Any public road or bridge that is eligible for federal-aid to be spent for the construction, repair or maintenance of the particular facility.”



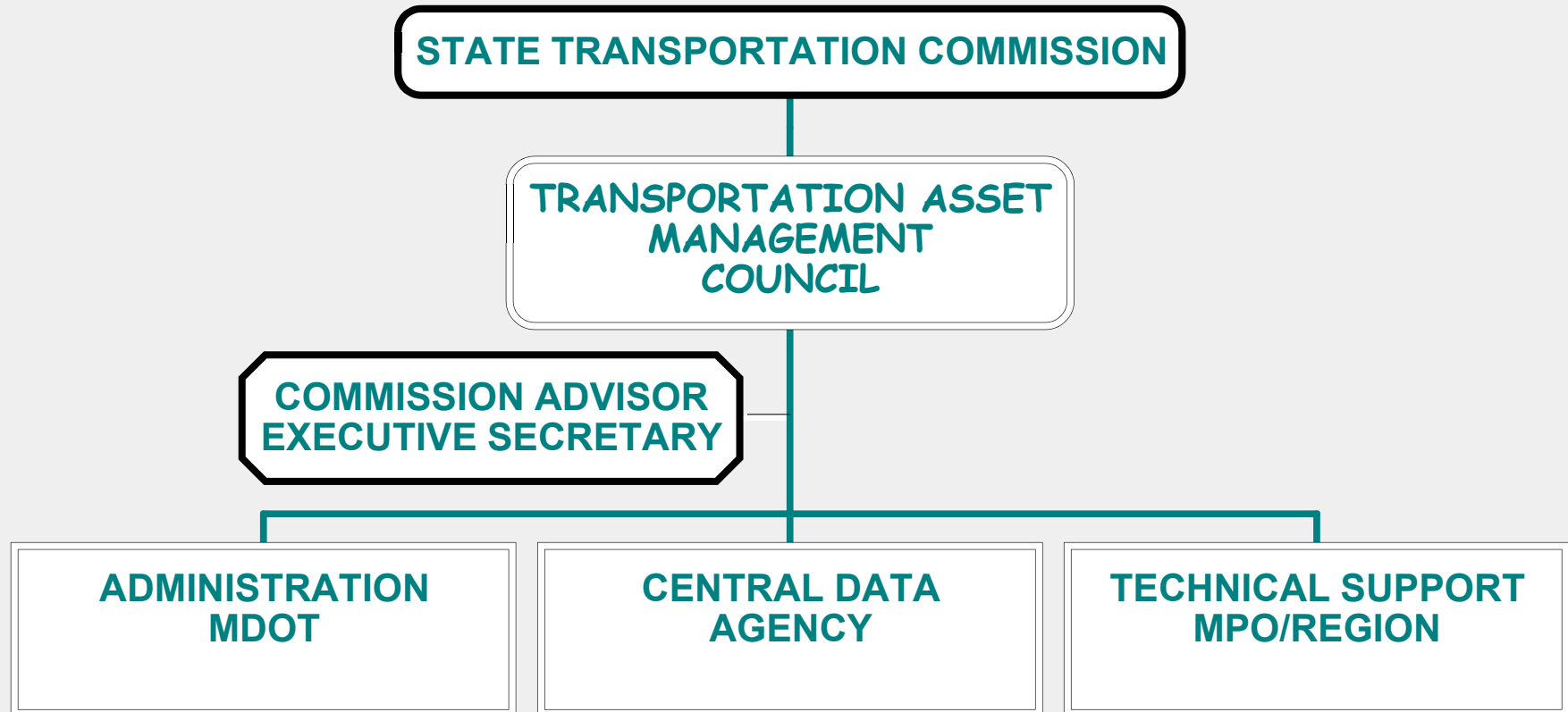
# COVERAGE

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- P Federal-Aid eligible highway system  
– some 39,000 miles of arterials and collectors
- P Later extended to entire road system
- P In a cost-effective, efficient manner



# ORGANIZATION CHART



# ROLE OF THE STATE TRANSPORTATION COMMISSION

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- P Council created within STC
  - < **Emphasizes the seriousness of the process**
  - < **Bi-Partisan Body with a statewide perspective**
- P Appoint members of the council from names submitted by respective organizations
- P Approve rules of operation
- P Establish an annual budget
- P Receive an annual report



# TRANSPORTATION ASSET MANAGEMENT COUNCIL

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- P 11 Members: 10 voting, one non-voting
- P Voting Members (2 from following organizations): CRAM, MML, Planning & Development Regions/MPOs, and MDOT; one each from MTA and MAC
- P Non-voting member from the agency chosen to house data
- P 3-year terms, staggered
- P Chair selected from voting members
- P MDOT provides qualified staff; MPOs technical support





# TRANSPORTATION ASSET MANAGEMENT COUNCIL

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## MISSION

**P**Advising the State Transportation Commission on a statewide asset management strategy and the necessary procedures and analytical tools to implement such a strategy on Michigan's highway system in a cost-effective, efficient manner



# WHAT WILL THIS ENTAIL?

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- P Common condition assessment and data collection process
- P On-going training program for condition assessment
- P Establishing protocols for data storage and selection of a neutral agency to house the combined statewide data
- P Establish procedures for development of 3-year road and bridge program and reporting requirements
- P Recommending an annual budget for the operation and management of the process and the council
- P Submitting an annual report to the State Transportation Commission and the Legislature
- P Other issues that may arise regarding asset management
  - < Come from Commission
  - < Recommendations from Act 51 Funding Study Committee
  - < Appoint “technical advisory panel”



# FUNDING

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**P Comes from an annual appropriation from the MTF**



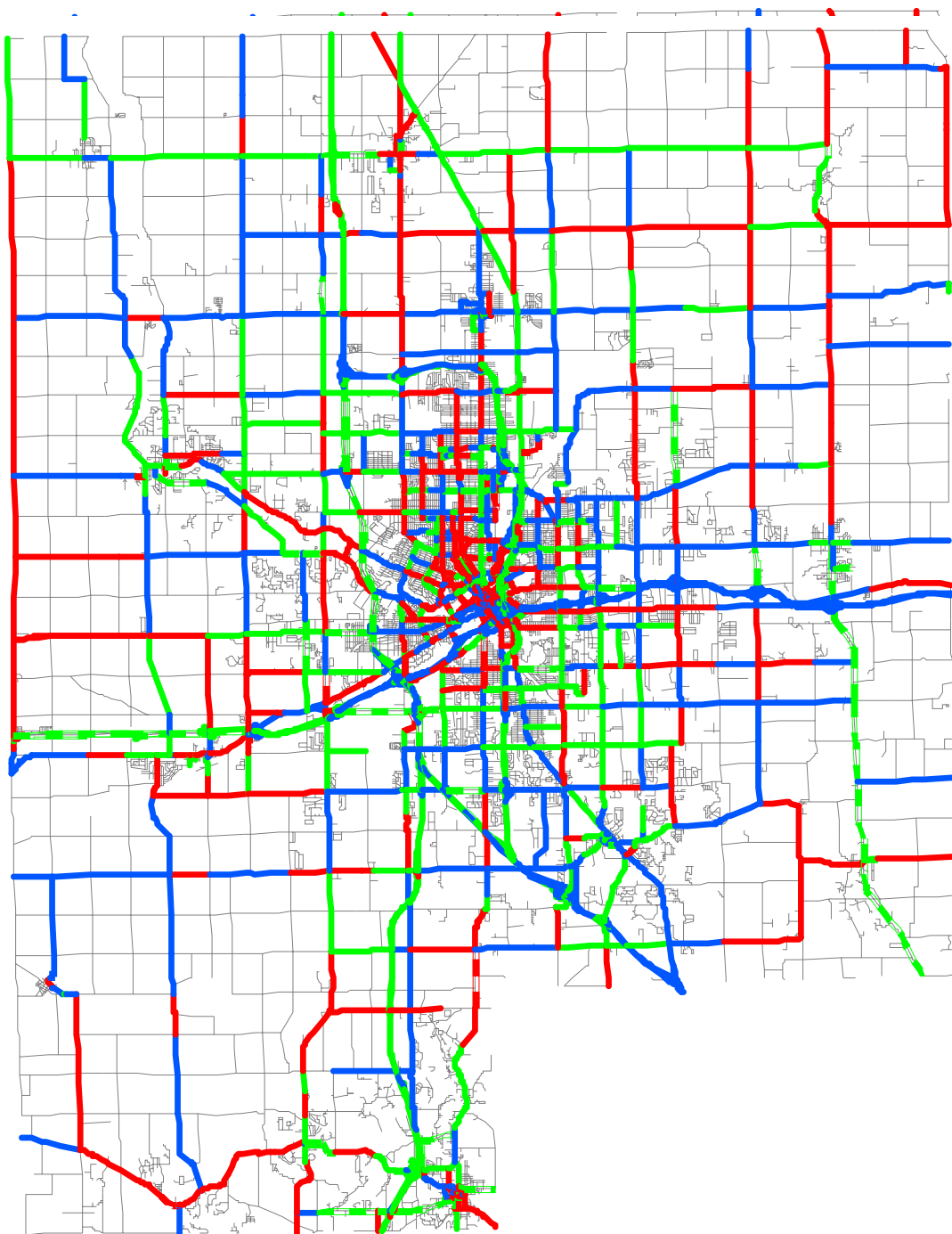
# INITIAL FOCUS

## COMMON DATA COLLECTION

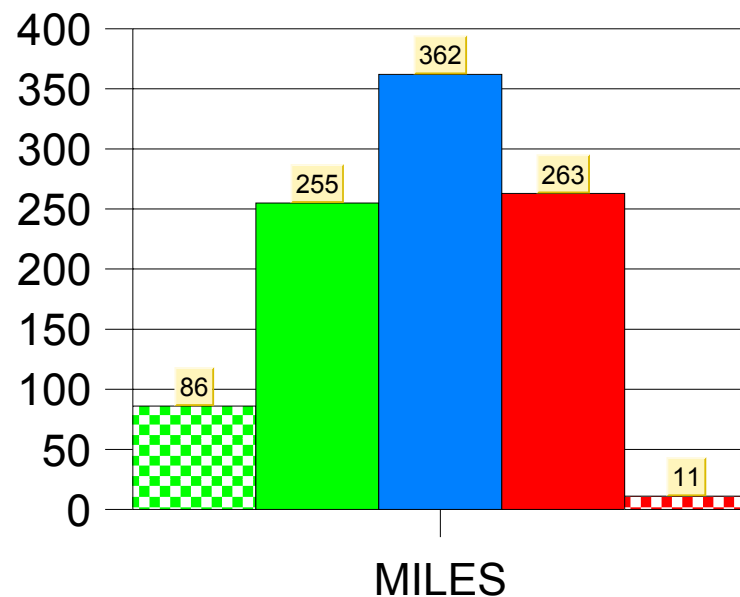
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- P Major recommendation of Act 51 Funding Study Committee**
- P Council will establish procedures for collecting road and bridge data using a common method**
  - < Establishing schedules for when data should be collected and reported**
  - < Training in the use of PASER**
  - < Analyzing and reporting of data**
- P Will build on the experience from “pilot studies”**
- P Must be consistent with current federal regulations and state accounting procedures (GASB 34)**










## ASSET MANAGEMENT SCALE



-  CATEGORY 1 (PASER Ratings 9 - 10)
-  CATEGORY 2 (PASER Ratings 7 - 8)
-  CATEGORY 3 (PASER Ratings 5 - 6)
-  CATEGORY 4 (PASER Ratings 3 - 4)
-  CATEGORY 5 (PASER Ratings 1 - 2)

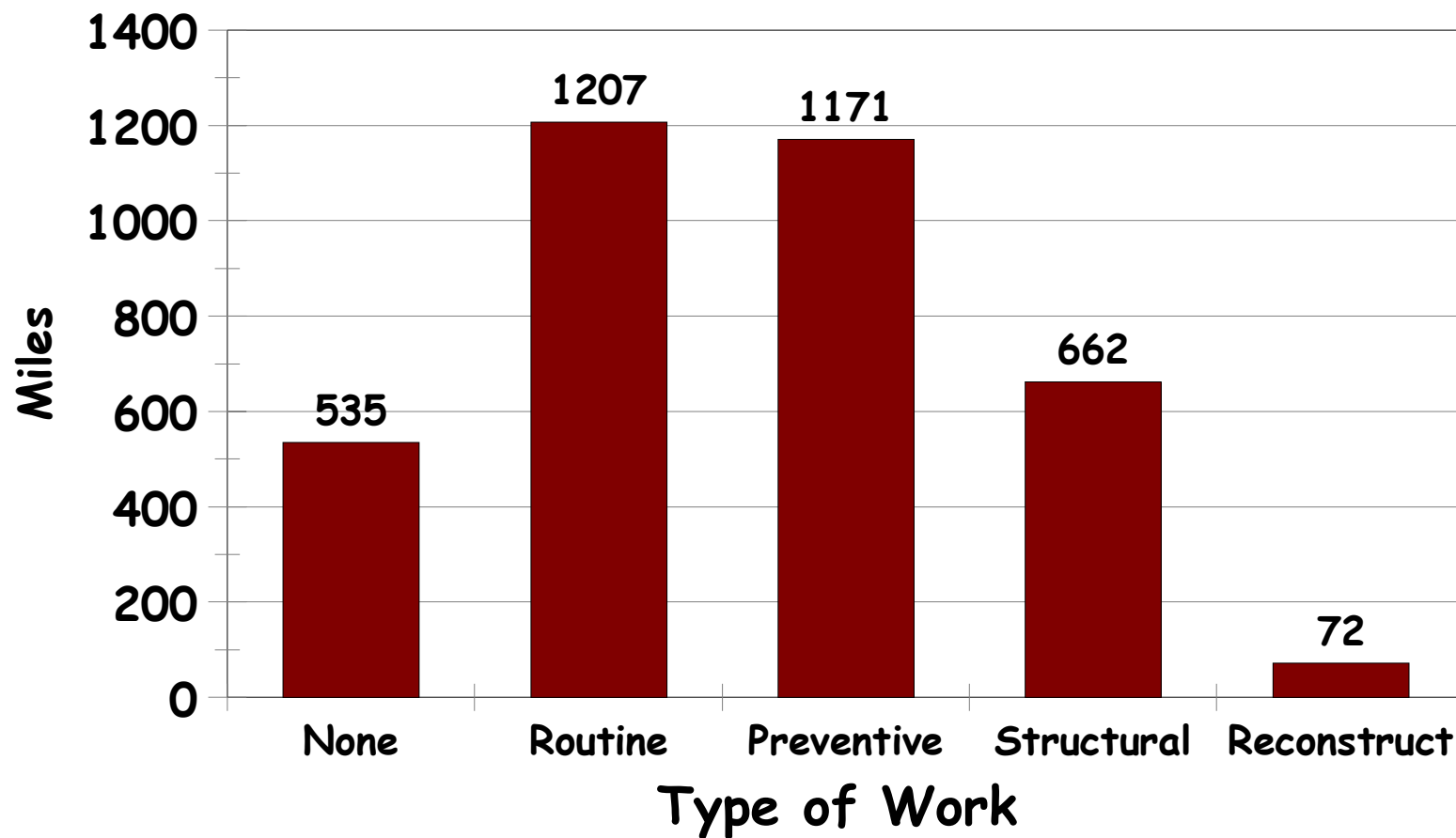
## ASSET MANAGEMENT SCALE

-  1 = No Maintenance Needed
-  2 = Routine Maintenance
-  3 = Preservative Treatments
-  4 = Structural Rehab
-  5 = Reconstruction

0 2 4 6  
Miles  
Miles

# Asset Management: Totals

## Federal-Aid System



# MULTI-YEAR ROAD & BRIDGE PROGRAM

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- P** Compilation of proposed projects for maintaining, preserving, and improving the federal-aid eligible system
- P** Make it consistent with the current TIP process
- P** Public, Legislature, developers will know where and when road projects will take place
- P** Will aid in compliance with GASB 34 which says that you must show that you are maintaining the system at the established level



# OTHER ISSUES

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## WHICH COULD BE CONSIDERED BY COUNCIL

- P Establishing procedures for a statewide review of National Functional Classification
- P Locating culverts
- P Testing compatibility of PASER with other condition assessment processes
- P Providing assistance in using the “modified” approach for GASB 34





# SUMMARY

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## WHAT ARE THE MAJOR BENEFITS?

- P Provide a unified approach to effectively managing the highway system
- P Views the system from the perspective of the driving public rather than individual road agencies
- P Institutes key recommendations of the Act 51 Funding Study Committee
- P Provides a forum for discussing and reaching consensus on key issues in a spirit of cooperation rather than competition

